# 2017-2018 Integrated Resource Plan



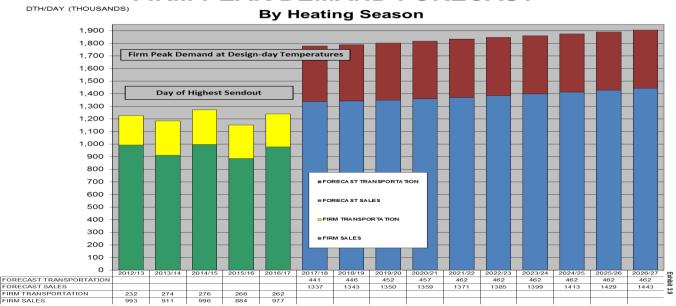
#### 2017 IRP Workshops

- February 1, 2017
  - Merger Integration Update
  - Review of the Utah Commission's 2016 IRP Order
  - Review of the Utah IRP Standards and Guidelines
  - Discussion of the January 6, 2017 Weather Event
  - Results of the 2016 Appliance Survey
  - Gas Quality Issues
- February 28, 2017
  - Gas Supply, Storage, and Transportation Planning
- March 23, 2017
  - Excess Flow Valve Update
  - Contracting Update
  - LNG Storage Facility
- April 20, 2017
  - Merger Update
  - Contracting Update
  - Review of the Company's 2016 RFP for purchased gas
  - Review of the 2016-2017 Heating Season (IRP vs. Actual)
  - Dominion Energy Wexpro's Drilling Plan



- Customer and Gas Demand Forecast (Section 3)
  - Design-day firm sales demand = 1.337 MMDth

#### FIRM PEAK DEMAND FORECAST





- Purchased Gas (Section 5)
  - Balanced portfolio of gas purchases of approximately 45.6 MMDth
  - Historical heating season pricing

Table 5.2 NPC FOM Index Price per Dth – Heating Season			
Month	2015-2016	2016-2017	Difference
Nov	\$2.04	\$2.62	\$0.58
Dec	\$2.22	\$2.99	\$0.77
Jan	\$2.28	\$3.73	\$1.45
Feb	\$2.02	\$3.11	\$1.09
Mar	\$1.51	\$2.29	\$0.78
Average	\$2.01	\$2.95	\$0.94



- Cost-of-Service Gas (Section 6)
  - Level of production of 70.7 MMDth (61% of forecasted demand)
  - Net costs are declining
    - 2015 to 2016 2.8% decline
    - 2<sup>nd</sup> consecutive year in decline
  - 2017 drilling plans include 22.3 new wells



- Gathering, Transportation, and Storage (Section 7)
  - Contracted capacity is adequate to meet peak day demands
    - Renewal of contract with Dominion Energy Questar Pipeline for 798,902 Dth/day
    - Increase capacity on Dominion Energy Questar Pipeline for 100,000 Dth/day for capacity to Hyrum
    - Renewal of a contract with Kern River for 53,000 Dth/day
    - Increased capacity on Kern River through a release contract for 30,000 Dth/day
    - Increased capacity on Kern River through a release contract for 83,925 Dth/day
    - Renewal of a storage contract with Dominion Energy Questar Pipeline for 3,727,500 Dth at Clay Basin
    - Started service on a storage contract with Ryckman Creek for 2,500,000 Dth

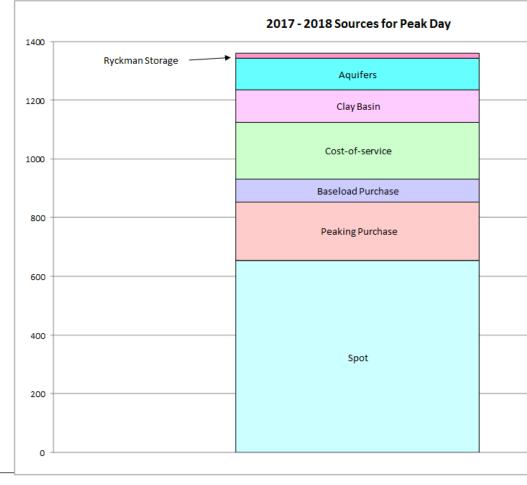


- Energy Efficiency Programs (Section 9)
  - Company should continue to promote cost-effective energy efficiency programs





Model Results (Section 10)





- System Capabilities and Constraints (Section 4)
  - Distribution system meets current peak-day needs
  - Southern system is one of the fastest growing areas in Dominion Energy Utah's territory
    - Expansion will be required
    - Project overview
      - Will be completed in phases
      - 6 miles of 20-inch High Pressure Tie initially
      - 24 miles of 20-inch High Pressure Loop
      - MAOP for both lines will be 1,000 psig

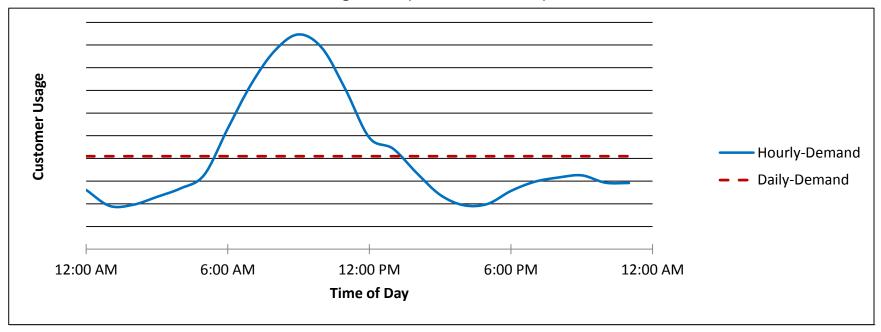




- System Capabilities and Constraints (Section 4)
  - Aging infrastructure replacement
    - High pressure
      - Replacement taking longer than originally planned
    - · Intermediate high pressure
      - Belt main replacement program on schedule
      - 7,000 miles of Aldyl-A pipe
        - » Higher leak history
      - 4,300 miles of pre-1971 steel mains and service lines
      - Many utilities have targeted programs to replace this type of pipe
    - · Company is developing replacement plan

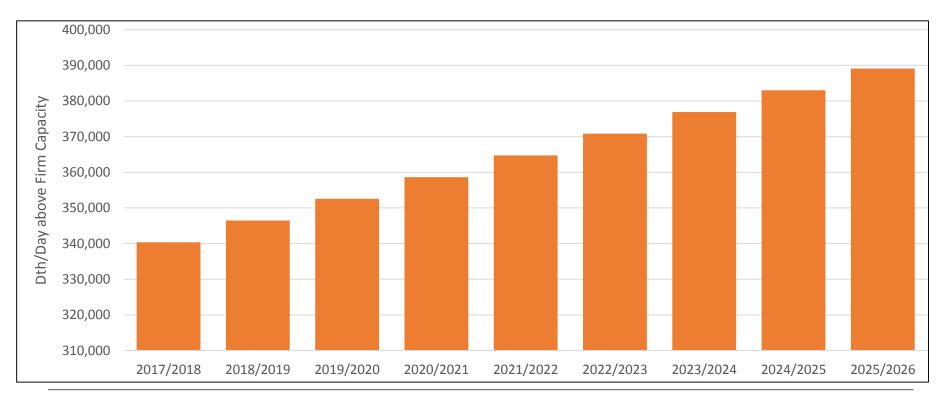


- Peak-Hour Demand and Reliability (Section 8)
  - Determined current and long-term plans to meet peak-hour demand needs





#### **Peak-Hour Demand Requirements**





## **Peak-Hour Demand and Reliability Plan**

#### Current

- Kern River Firm Peak-Hour Service
- Dominion Energy Questar Pipeline Firm Peak-Hour Service

#### Long-Term

- Kern River Firm Peak-Hour Service
- Dominion Energy Questar Pipeline Firm Peak-Hour Service
- On-system Storage (LNG Facility)



## **On-System LNG Facility**

#### Benefits

- Supply Reliability
  - Reduction in upstream risks
  - Immediate access to gas supply downstream of city gate
- Meet Peak-Hour Demand
  - Increased operational responsiveness
  - Ability to meet morning and evening peak
- Potential for Expansion
  - Meeting future growth





## **On-System LNG Facility**

- Project development stage
  - Proceed with FEED study
    - Engineering specifications
    - Design criteria
    - Contract documents for bid
    - Permitting
      - Environmental
      - Air quality
      - Local
    - Bidding for project
- Pre-approval





## **Questions?**







